

State of Michigan  
**FAMILY INDEPENDENCE AGENCY**

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M E M O R A N D U M

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**To: Director FSA**

**From: Rita J. Barker, Director, Office of Internal Audit**

**Date: July 14, 2000**

**Subject: Antrim/Kalkaska County Local Office Limited Scope Audit-#2000-221**

The Office of Internal Audit performed a limited scope audit of Antrim/Kalkaska County FIA for the period October 1, 1999 through March 31, 2000. The objectives of our audit were to determine if internal controls in place at the local office provide reasonable assurance that department assets are safe guarded, transactions are properly recorded on a timely basis, and policies and procedures of the Michigan Family Independence Agency (FIA) are being followed. Antrim/Kalkaska County FIA had 53 full time equated positions (FTE's) at the time of our review. Antrim/Kalkaska County FIA provided assistance to an average of 1709 recipients per month during FY 1999, with total assistance payments of \$1,760,187 during that year

Our audit was conducted in accordance with Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors. We obtained descriptions of significant systems operating at Antrim/Kalkaska County FIA, documented those systems, and evaluated controls in each system. We tested the systems for compliance, where feasible. We included the following systems:

Cash Receipts  
Cash Disbursements  
Food Stamps  
General Ledger  
Modified Accrual Balance Sheet  
Safe and Controlled Documents  
Procurement Card

Based on our limited scope audit, we concluded that the Antrim/Kalkaska Dual County FIA internal controls are generally adequate to provide management with reasonable assurance that assets are safeguarded and transactions are executed in accordance with management's authorization.